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October 7, 1963.

W.I.T. - 19
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Lancelot J. Smith,
48 Yonge St.
Toronto, Ontario.

Dear Sir:-

I am sure Ontario would like to know which of its people will make the greatest beef about taxes. Can it be Ontario desires to tax most those people who cry the least about taxes? Our bigoted government knows the facts about taxation or knows where to get the facts.

Duplessis spelled out the great cry in Quebec when he said in Federal Parliament, quote, "If a man breaks into my house and steals $500.00, should I petition him to get $25.00 back." He was drawing attention to Rule 92 British North American Act which reserves the EXCLUSIVE right to direct taxation for provincial purposes to the provinces respectively. The Federal government is here excluded from collecting personal income tax and returning part of it to the provinces. Personal income taxes are DIRECT TAXES; Corporate income taxes are not DIRECT TAXES on the people because corporations do not vote; corporations are not people. Here is a valuable division in taxing authority spelled out by the B. N. A.

The following year the Diefenbaker government announced intention of abolishing the obviously unlawful system of rental taxation. This system was never ended because the Federal Government now collects personal income tax in every province except Quebec and returns part of the loot so collected to the various provinces for provincial purposes. However, Diefenbaker's announcement was used by Ontario's Government as excuse and need for enactment of the Ontario Retail Sales Tax.

By law of Ontario a tax is now collected if a resident of Ontario brings into the province an aeroplane he purchased in Montreal. Ontario can not say it is taxing the "purchase" because that was made out of Ontario's jurisdiction. Neither can Ontario say the tax is upon the use of the aeroplane because it is used to travel to places out of the province and only occasionally used in the province. This is a direct violation of Section 121, B. N. A.

> "All articles of the growth, produce or manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces."

The same reasoning can be used for smaller objects such as soap. At the retail level it is impossible to know for sure the origin of products. In these ways the B. N. A. divided taxing authority so that Direct Taxation(personal income tax) Is vested in the provinces respectively, and excise taxes (retail sales tax, manufacture's sales tax, corporate income tax, etc.) are under authority of the Federal Government.

I am sure Ontario's Government knows these facts or knows where to find them. What Ontario desires of you is a new or novel system of UNLAWFUL taxation to which the people will submit willingly.

I desire to point to the great service you have opportunity to render Canada. The very foundation of Canada is shaken by effects of unlawful taxation. Eight provinces now have unlawful sales taxes. Quebec seeks separation from Confederation because unlawful Federal taxation discriminates against Quebec.

Sixty days after Duplessis made the above embarrassing statement, he was found in a vacant building. Now what would a Premier of Quebec be doing alone in a vacant building? No investigation? Fredrick Wilmar Fawcett is now for 2 years committed to Ontario Hospital, 999 Queen Street West, Toronto, Ontario, because he desired Ontario to respect his land grant the same as Ontario respects the land grant of the Royal York Hotel. The Ontario Court of Appeals recently found Section 524 - 1-A - 17 criminal code of Canada was supplemented by Rule 38 Ontario Mental Hospital's Act; that the right to a speedy trial has indeed been legislated out of existence in Ontario. Ontario is prepared to go the limit to protect its system of UNLAWFUL TAXATION.

You have a great opportunity to serve Canada and Ontario. Are you big enough to do the just and right thing? Will the thirty pieces of silver Ontario pays you to find new unlawful way to crucify people of Ontario, be enough?

Sincerely yours,

Thomas R. Blanchard
Box 61 Station "J"
Toronto 6, Ontario.

P.S. The Commission was so anxious to learn of my beef that it omitted your address from the article published in the TORONTO DAILY STAR. I was forced to look up your address.

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